

ADMINISTRATION & FINANCE AND PUBLIC SAFETY & CRIMINAL JUSTICE
COMMITTEES

DATE: May 13, 2004

CALLED TO ORDER: 5:10 p.m.

MEETING ADJOURNED: 8:25 p.m.

Minutes not approved by the Chairs

ATTENDANCE

PRESENT MEMBERS

Jackie Nytes, Chair, Administration and Finance
Mary Moriarty-Adams, Chair, Public Safety and Criminal Justice
Vernon Brown, (ADMIN)
Becky Langsford (ADMIN)
Lynn McWhirter (ADMIN & PSCJ)
William Oliver (PSCJ)
Lincoln Plowman (ADMIN & PSCJ)
Joanne Sanders (ADMIN)
Sherron Franklin (PSCJ)
Steve Talley (ADMIN & PSCJ)

ABSENT MEMBERS

Scott Schneider (ADMIN)

AGENDA

Juvenile Justice Agency
Marion County Commissioner
Marion County Auditor
Marion County Assessor
Information Services Agency

ADMINISTRATION & FINANCE AND PUBLIC SAFETY & CRIMINAL JUSTICE COMMITTEES

The Administration & Finance and Public Safety & Criminal Justice Committees of the City-County Council met on Thursday, May 13, 2004. Chair Mary Moriarty-Adams called the meeting to order at 5:10 p.m. with the following members present: Chair Jackie Nytes, Vernon Brown, Becky Langsford, Lynn McWhirter, William Oliver, Joanne Sanders and Steve Talley. Arriving shortly thereafter were Sherron Franklin and Lincoln Plowman. Scott Schneider was absent. Also present, representing Council staff was Kent Burrow, Chief Financial Officer (CFO).

2004 FIRST QUARTER BUDGET UPDATES:

Chair Moriarty-Adams explained that the Budget Review committee meetings were to gather information about 2004 budgets and no public testimony would be taken.

Juvenile Justice Agency

Mark Renner, Court Administrator and Sue Patterson, Director of Finance presented budget updates for the Juvenile Justice Agency. Mr. Renner said that he was providing information on Superior Court Judges (Exhibit A) which was requested at the joint committee meeting on April 27, 2004. The information is for staff salaries, contracts for 2003 and preferred vendors for jury meals. Mr. Renner said he is also providing some historical information which are articles from 1998 on the juvenile crisis and the problem with paying the Indiana Department of Corrections. The article shows that it cost \$10 million per year for housing juveniles from Marion County in the Department of Corrections. He said the amounts have gone up drastically since 1998, so the crisis has been with the County for a number of years and it has been well documented. Mr. Renner said Judge Payne is doing his best to address many of the juvenile justice issues with the assistance of other judges of the Superior Court (SC).

Mr. Renner said they provided the Council with the SC's proposed budget book for 2004 which lays out the Superior Courts budget with Subsections on the Juvenile Court(JC). Mr. Renner said he asked Ms. Patterson to do some calculations, and they determined that of the total budget for the Juvenile Court comprises 37% of the total budget. He said the Juvenile Court's budget goes to three main areas. Those areas are the court itself, juvenile probation and the juvenile detention center. Mr. Renner said there is an Alternative School that is part of the Juvenile Complex. The Alternative School will cost about \$560,000 to operate in 2004. He said it is funded by contributions that individual IPS schools provide based on the number of children they send to the school. Mr. Renner said the Alternative School was created with funding that the Lilly Foundation provided to Judge Payne. It was approximately \$4 million to benefit children in the IPS school district. Ms. Patterson said the school actually benefits IPS and township schools.

Mr. Renner said to be able to put in context the situation at JC, some case statistics would be needed to help everyone understand the position that Judge Payne and his staff face. Mr. Renner said there is an increase in caseloads, as it is for all SC. In 1995 there were 3,200 delinquent cases adjudicated in Juvenile Court and by 2003 the number had increased to 5,360.

Mr. Renner said Children In Need of Services (CHINS) cases, which occur when the State of Indiana takes action on behalf of a child, because it is believed the child is in danger, go to Juvenile Court. He said there were 220 CHINS cases in 1985; in 2003 there were 1,750. Mr. Renner said the types of cases being adjudicated in Juvenile Court have changed. In 1985 there were fourteen cases for possession of a controlled substance adjudicated in JC, by 2003 the number had increased to 162 felony and 553 misdemeanor drug possession cases. He said the seriousness of cases adjudicated has changed.

(Clerk's note: Councillor Sherron Franklin arrived at 5:15 p.m.)

Chair Nytes said she was having a hard time tracking the information being presented and asked if the information had been given to the Councillors in advance. Mr. Renner answered in the negative and said he intended to provide it to them. It was something he was working on right before the meeting. Chair Nytes said the information should be given to the Councillors in writing, because the information from the budget book does not match with the budget information that was provided for the meeting. Ms. Patterson said that what is in the budget book is what was given out. Chair Nytes asked for the first quarter expenditure statements, because it was one of the things the JC was asked to bring. Ms. Patterson said they did not give that for the SC presentation on April 27, 2004, and she was not sure where the information came from. Council staff indicated that the information was provided by the Marion County Auditor's Office. Chair Nytes asked if the Auditor's Office had provided the handout with Juvenile Court information on one side and the SC Administrative Division information on the other. Ms. Patterson said that was not everything for the JC. Chair Nytes said in order for the Council to get a full fiscal picture, it is important to look at the first quarter statement for all agencies. Chair Nytes requested that the information be provided. Ms. Patterson apologized and said it was not indicated to them that first quarter information needed to be provided and they did not provide it for the SC. Chair Moriarty-Adams said that the Council had also requested a list of all contracts, and that was not provided. Ms. Patterson said that was included in the handout and it included all of Marion County Superior Courts, the Probation Department and the Juvenile Division.

Councillor Oliver asked what triggers IPS to call the Courts and do the Courts have the same relationship with township schools as they do with IPS. Mr. Renner said it is the same relationship with respect to the Alternative School. Councillor Oliver asked for an example of what triggers a call. Mr. Renner said he could not answer what triggers a call, but he could get the information and report it back because he has no idea if it differs from school to school. Councillor Oliver said he was concerned that the Mr. Renner and Ms. Patterson were giving this report without providing the Council with JC's materials. Councillor Oliver said that since Mr. Renner and Ms. Patterson are giving an oral presentation, he would not ask

additional questions. He was concerned that they would not have the answers. He said the Council should have materials that reflect the JC's presentation. Mr. Renner said the Council could put their questions in writing and he would be happy to come back to the Council with responses to their questions. He said the previous questions went beyond the budget and the budget is what he expected to discuss. Chair Moriarty-Adams asked Mr. Renner if the Council could get the information before the meeting was over. Mr. Renner said he could not get the information before the meeting was over because he was not sure he could get in contact with the proper people from JC. Chair Moriarty-Adams asked if Mr. Renner could provide answers to Councillor Oliver's questions by the end of the next business day. Mr. Renner answered in the affirmative.

Councillor Talley asked since the Alternative School startup was \$4 million from a Lilly grant, how much does the school cost per year and does the slots pay for themselves at the Alternative School. Mr. Renner answered in the affirmative. Councillor Talley asked how many slots were open. Ms. Patterson said it is approximately 185, but she could get a definite number. Councillor Talley said he would like to know how much comes from each school district as well as the success rate of the Alternative School.

Councillor Sanders said that on April 28th the Office of Family and Children (OFC) came before the Community Affairs Committee of the Council and provided them with the number of cases they have. She asked if the numbers given for CHINS from JC should match the number from OFC. She asked if they used the same database source. Mr. Renner said he has no idea where OFC database is from. He said the numbers they presented were complied by the JC. Councillor Sanders said the JC number was 1,750 in 2003, and OFC tracked 1675 in 2003. She said she was curious about the difference between the two figures. Mr. Renner said he did not know and it could be a difference in counting or a case that came back after being closed.

Councillor Sanders asked if there is a relationship between the contractual service providers with the OFC and the service providers of JC. Mr. Renner said there does not have to be a relationship. Ms. Patterson said the OFC makes the disbursements and not the JC because welfare is not a part of JC. Councillor Sanders asked, would the OFC service providers provide services to a family or child if Judge Payne decides that service/treatment is required. Mr. Renner answered in the affirmative and said it does not mean there is a contract with the JC and the provider.

Chair Moriarty-Adams asked if the handout or the budget information provided by the Auditor's Office were the entire budget for the SC. Ms. Patterson answered in the negative. She asked Chair Nytes if she had the budget information from the SC in front of her. Chair Nytes said she had the packet from the SC hearing on April 27, 2004, and when she goes through the packet there is no page marked JC. Ms. Patterson said she would not find a page marked JC. Chair Nytes asked if the expenses and budget for the JC were tracked separately from the rest of the courts. Ms. Patterson answered in the affirmative.

Councillor Abdullah asked for the breakdown and detail of Fund 100. Ms. Patterson said that is the way the Auditor's Office records the information and there is more detail behind the numbers. Councillor Abdullah asked for the details. Ms. Patterson said Fund 100 is the County General Fund and it sums up the various places where money was spent by the JC in each year. Councillor Abdullah said the Council is having a problem getting details about JC and identifying the Line Items that brings clarity to the expenditures for the JC. He asked for an explanation of Line Item 361 (Professional Services) and Line Item 359 (Building Rent/Building Security) as seen in Character 03 (Other Services and Charges) of Fund 410. Ms. Patterson said she did not know why Line Item 361 was not budgeted for in 2002 and 2003. She said the SC does not budget the Cumulative Capital Improvement Fund (Fund 410). The Auditor's Office budgets the Fund and puts it together on behalf of the SC. Ms. Patterson said Line Item 359 is for \$1.5 million to retire the debt on the Juvenile Complex. She said the Professional Services and Equipment Rental and Leasing has to do with the computer project at juvenile. She said she does not make up the budget and asked if Dan Jones from the Auditor's Office could explain Fund 410 in more detail. Mr. Jones said the budget item was in the General Fund in previous years and last year the Auditor's Office was having a problem funding the General Fund so the appropriation was moved to the Cumulative Capital Improvement Fund and it is for computer leasing. Ms. Patterson said Professional Services were also related to the computer installation for ACS.

(Clerk's note: Councillor Lincoln Plowman arrived at 5:37 p.m.)

Councillor Talley said it seems that time is being spent, and the Council does not have the information needed to ask appropriate questions. He said that he hopes Judge Payne is taking the process seriously. Councillor Talley said he wanted to move forward and give Judge Payne another shot at appearing before the committees. He suggested that Judge Payne attend the May 19th Public Safety and Criminal Justice committee meeting. Mr. Renner said Judge Payne would not know the details within the budget and he would not have more information about the Line Items and specific numbers than he or Ms. Patterson could provide. Councillor Talley said the committee asked for information from all of the department heads and agencies and everyone provided the information except the Juvenile Court. Ms. Patterson said they provided grants and contracts on behalf of the Juvenile Court. She said the information provided by the Auditor's Office was incomplete. Ms. Patterson said the Council should have had the entire Superior Court budget because the Superior Court budget is not segmented in the fiscal ordinances, it is presented together. She said it is not segmented as Probation, Juvenile Court and Superior Court. To get a clear picture of the Superior Courts the budgets need to be looked at in totality. Councillor Talley said he understood that and asked again that Judge Payne appear before the Public Safety and Criminal Justice committee on May 19th.

Chair Nytes said the reason Juvenile is looked at separately is because it has a large chunk of the Superior Courts' budget. While the Council is concerned about everyone having resources to do their jobs, the Council is looking at real solutions to get us through the year. Wherever there is a large budget, it is most important to look at it. She said it is important to have facts and figures about services and activities. The Council is trying to figure out how to

balance the budget, and therefore, a quarterly statement is needed. Ms. Renner said they were not asked for that information. Ms. Patterson said if she knew the Council did not have the information, they would have provided it.

Chair Moriarty-Adams asked Ms. Patterson and Mr. Renner to come back for the end of the Public Safety and Criminal Justice committee meeting on May 19th.

Mr. Renner stated that he would get the following information to Councillors the following day:

- The behaviors that trigger referrals to the Alternative School
- The number of slots at the Alternative School
- The number of children from each school district in the Alternative School
- The success rate of the Alternative School
- The first quarter budget for Juvenile Court

Mr. Renner said he would be happy to take additional questions. He wanted to make sure that all Councillor questions were answered. Councillor Moriarty-Adams asked Mr. Renner to provide his number to the Council. Councillor Sanders asked for additional information on how the Juvenile Court tracks numbers. Councillor Abdullah asked for the salaries and structure of the administrative staff. Mr. Renner asked if he wanted the salary for each employee of the Superior Court or the salary structure by job class. Councillor Abdullah said he would like both. Mr. Renner said his telephone number and e-mail address and said he would be happy to take e-mails or phone calls.

Marion County Commissioners - Marty Womacks, Marion County Auditor; Sarah Logsdon, Marion County Director of Human Resources

Ms. Womacks said the County Commissioners are three elected County officials (Exhibit C), the Treasurer, Auditor and Assessor. She said the Auditor is always the secretary for the Commissioners and the other two members vie for being president. She said they have oversight of the Marion County Children's Guardian Home. Ms. Womacks said Human Resources (HR) is the only area budgeted within the Commissioners budget. She said they also conduct the sale of County owned property in conjunction with the Treasurer's Office. The property is auctioned off and the proceeds go to the County's taxing units. She said the Auditor presides over the Marion County Compensation and Classification Board which is how employees are classified and compensated. Human Resources has picked up two new responsibilities. They now help with appeals for the Trustees. She said when an individual appeals the denial for assistance from a township trustee; the appeal goes to the County Commissioners and HR schedules the hearing. Ms. Womacks said HR has also taken over the Workman's Compensation claims. She said Human Resources has a total of two FTEs.

Ms. Womacks referred to the Exhibit C and said the information also provided data on the number of people that come in contact with the agency on a yearly basis. She said HR has many applicants.

Ms. Womacks said the Commissioners budget is cut and dry. She said there are no exceptional expenditures. Character 1 is where most of the expenditures are.

Councillor Abdullah asked why there was such a jump in Conference & Travel in Character 3 (Other Services and Charges), from \$2,810 in 2003 to \$4,409 in 2004. Ms. Logsdon said \$389 was spent for her assistant to learn about new OSHA regulations. She said they have not attended a lot of conferences, but she attended an EEOC conference on September 11, 2001 and she has not gone back to another conference. She said it will be an area where there will not be a lot of spending. Ms. Logsdon said she was not sure why the additional amount was included in the budget. Councillor Abdullah asked if she planned to return some of the money to the County General Fund. Ms. Logsdon said she does not control the budget for the office, Terry Nelson has oversight of the budget. Ms. Womacks said in this particular area the laws are always changing and perhaps that is why Mr. Nelson put the amount in the budget. Mr. Nelson said the money is there in case travel for training is needed; however, following the Auditor's directive to cut back, the amount spent will be minimal. He said besides the Fair Labor Standards Act, he expects to return some money back. Mr. Nelson said HR took a 10% cut from the 2003 and 2004 budget.

Councillor Brown asked how the Township appeal's process works, since it is for emergency assistance. Ms. Logsdon said individuals have 15 days to file once assistance is denied and it takes approximately one week to hear the appeal. Ms. Logsdon said they have a volunteer hearing officer that only gets paid for travel. She said he travels to the Township offices to hear appeals that are presented by the Trustees. Councillor Brown asked for the number of cases handled by townships and which township has the most appeals. Ms. Logsdon said Center Township has the most appeals. Ms. Logsdon said there were 401 appeals in 2003. Councillor Brown said he would also like it broken down by Township.

Councillor Brown asked if the County HR Department does anything different than the City HR Department. Ms. Womacks said the City HR department does not handle the Trustee appeals. Ms. Logsdon said they handle the Workman's Compensation for the County and this is something that the City just gave back to the County. Ms. Womacks said the City used to handle Workman's Compensation for the County and asked the County to do their own. Ms. Logsdon said they also try to provide perks to employees that don't cost money. She said they feel County employees work for so little money, that HR tries to find things to augment salaries. Councillor Brown said he believes the City also offer perks. He asked if they partner with the City on things such as Spanish classes and computer training. Ms. Logsdon said they do the same computer training as the City. They asked the City to partner with them on Spanish classes, but she is not sure why the City did not participate. She said they make each other aware of what is happening.

Councillor Plowman asked if the money still came from the Township Trustee's Office if the applicant wins an appeal. Ms. Logsdon answered in the affirmative and said it remands back to the Trustee to get reevaluated. She said it cannot be demanded that the Trustee provide assistance, but the appellant can also appeal to the Superior Court. Councillor Plowman asked can the Trustee still deny assistance if HR requests that the Trustee reevaluate their decision. Ms. Logsdon answered in the affirmative.

Chair Nytes apologized for all the questions regarding the Commissioners budget and said it is not unusual for boards to ask questions about small things so they can better understand the process.

Councillor Brown asked if the Trustee can still deny assistance even if the decision were overturned. Ms. Logsdon said they follow the State law in the appeal process. Chair Nytes said this is one thing that may need to be worked on in other places (State Legislature).

Chair Nytes asked if there were agencies in the County that did not use County HR. Ms. Logsdon answered in the affirmative. She said the Sheriff's Department has its own HR department. She said County HR makes referrals to other agencies: 286 referrals were sent to the Marion County Clerk's Office, 42 referrals were sent to the Marion County Recorder, 31 referrals were sent to the Marion County Auditor, 37 referrals were sent to Information Services Agency and Township Assessors had 91 referrals last year. Chair Nytes asked what part of the hiring process County HR conducts. Ms. Logsdon said they don't hire, but they assemble application packets (application, education, fingerprinting, resumes, transcripts, conduct testing). Once the packet is complete, it is sent to the agency along with the referral sheet. Chair Nytes said it is curious that the budget is treated separately since it is only \$106,000 compared to the size of the entire County budget. She asked if the budget has always been separate. Ms. Womacks said it is probably the result of UniGov. Ms. Womacks said when she came to County in 1994, County HR was located in the Treasurer's Office. Chair Nytes asked if Mr. Nelson were included in the Commissioner's budget. Ms. Womacks answered in the negative. Chair Nytes asked if the office could be in other places. Ms. Womacks answered in the affirmative.

Marion County Auditor – Marty Womacks, Auditor; Terry Nelson, Chief Deputy

Ms. Womacks referred to her handout (Exhibit D) and gave an overview of the Auditor's Office responsibilities. Ms. Womacks complemented the Council on the lengthy Budget Review meetings and said she felt the review has been a rewarding and learning experience.

Ms. Womacks said they budget for 36.25 FTEs, but currently only have 31.5 employees. She said the County has a budget in the neighborhood of \$269 million. She said they distribute \$1.5 billion in taxes to taxing units in Marion County. This includes reconciling 190 Funds. Ms. Womacks said she is fully aware the County's fiscal condition is driven by public safety costs. She said she will continue to work with County elected officials and agency heads to find cost savings this year which will transcend into cost savings for 2005. She said as the Auditor, she does not have the same oversight as the City Controller. She said she does not

have the ability to tell an agency their budgets must be cut. Ms. Womacks said she must be persuasive with County agencies to get them to return dollars.

Ms. Womacks said the County Administrator is an area under the Auditor's Office. Its expense is covered by the entire County in the form of Capital Lease payments. The Capital Improvement Fund includes workman's compensation, property insurance and some miscellaneous costs.

Character 1 from the County General Fund is one of the largest Line Items for County Agencies. However, Character 3 is the largest area for the Auditor.

Councillor Abdullah said he is concerned about Line Items 311 (Telephone), 312 (Conference & Travel Expenses), 350 (Equipment Repair) and 358 (ISA Telephones). Ms. Womacks said in previous years they did not spend a lot in these areas and some of those funds were returned at the end of the year. Councillor Abdullah asked for an explanation of Line Item 376 (Refunds, Awards & Indemnities). Ms. Womacks said those are judgments against the County for lawsuits and the County has increased costs for those areas. She said they reviewed this item with the Office of the Corporation Counsel before the budgeting process so they will know the cases that are outstanding that might come up and need to be paid off within the current budget cycle. Ms. Womacks said it will probably be under-budgeted at the end of 2004 because people are litigation crazy and think the County has deep pockets. She said many of the cases involve the Sheriff's Department. Councillor Abdullah asked if these are things that are anticipated. Ms. Womacks answered in the affirmative and said if an item has been over-budgeted somewhere else in Character 3, money will be moved to cover Line Item 376. Mr. Nelson said until a settlement comes through the money will remain in the budget until it is paid out. Therefore, it may be later in the year when the money is spent.

Councillor McWhirter asked if Line Item 360 (ISA Charges) were countywide. Mr. Nelson answered in the affirmative. Councillor McWhirter asked if it were unusual to not have any expenditures in the first quarter for Line Item 361 (Professional Services) or is it a contract that is paid at a particular time of the year. Mr. Nelson said he was not sure the contract had been paid as of March 31. Line Item 361 is medical charges for the Marion County Sheriff. Councillor McWhirter asked for an explanation of Line Item 380 (Subsidies). Ms. Womacks said statute requires counties to pay for mental health centers. Marion County has five that are certified and \$3.4 million is distributed to them. Also included is \$1 million to Noble of Indiana, money to the Fair Board and Soil and Water Conservation.

Councillor Oliver asked if the Juvenile incarceration bill goes to the Auditor. Ms. Womacks answered in the affirmative. Councillor Oliver asked for an update and if the County was in court on the issue. Ms. Womacks said the County is not in court on the issue yet. Councillor Oliver asked what triggers the payment. Ms. Womacks said when she took over in 1999 the Auditor's Office began to pay two years in arrears. She said the County is four years behind in payments right now. Ms. Womacks said a time will come when the issue will need to be

fully addressed. Councillor Oliver asked who funds and budgets for the payment. Ms. Womacks said the payment for the Boys and Girls Schools has always been in the Auditor's budget. Councillor Oliver asked if Ms. Womacks budgeted enough to pay the bill. Chair Nytes said someone in an executive function will have to tell the City and County what it will cost to pay the bill and recommend a tax rate that will need to be assessed in order to get the money. She said it is a multi-step process. Ms. Womacks said we cannot raise taxes enough to pay it. Chair Nytes said someone will need to bring a creative solution to Council in order for the problem to be addressed.

Chair Moriarty-Adams asked is it that the County cannot raise the taxes to the maximum levy and use it to pay the bill or that the County cannot raise enough money from taxes to pay the bill even if the tax levy was raised to the maximum amount. Ms. Womacks said the County cannot raise the maximum levy enough to pay for the outstanding debt.

Councillor Plowman asked if there was a benefit to putting Line Item 361 back in the Sheriff's budget since the funds had been put in the Auditor's budget to ease the payment process. Ms. Womacks said it makes budgets more reflective to what actual costs are. She said this year the Auditor's Office put all fringe benefits into each agency budget, in previous years fringe benefits were in the Auditor's budget. She said it helps the agencies better understand what it truly costs to employ someone.

Chair Nytes said that in the past, when the County did not have a sophisticated accounting system, there were procedural reasons to keep things in the Auditor's budget. Now, as more agencies come onto the same accounting software package, things can be tracked by each agency adequately without being under one budget.

Councillor Sanders asked if the Auditor's Office carries Unemployment Compensation for all County agencies. Ms. Womacks answered in the affirmative. Councillor Sanders asked if she gets the lowest percentage rate. Ms. Womacks said that she hopes so. Mr. Nelson said the Auditor's Office is on a "pay as you go" basis. He said if the County has claims, then the state sends them a bill monthly. The bill is itemized by individual and agency. Councillor Sanders asked if Line Item 76 (Unemployment Compensation) was for coverage. Mr. Nelson and Ms. Womacks answered in the negative. Chair Nytes said it is a provision that state law allows local government units to use that is not common in the private sector.

Chair Adams said there will be a surplus in the Public Defenders fringe benefits and asked if there would be surpluses in other agency fringe benefits that might be returned. Ms. Womacks said she hopes so. Chair Moriarty-Adams asked if Ms. Womacks were looking into the surplus. Ms. Womacks answered in the affirmative and said they work with agencies to see if there might be areas that are not going to be spent this year so the money can be carried over. She said June 30th will give the Auditor's Office a better picture of what the end of the year might look like. Chair Moriarty-Adams asked if there would be salary equivalents if expenses are not used that could also be returned. Ms. Womacks answered in the affirmative.

Councillor Sanders asked for the percentage that was used to calculate benefits. Ms. Womacks said it was 35%. Councillor Sanders asked if the amount were across the board. Mr. Jones answered in the affirmative.

Councillor Abdullah asked for clarification of Line Item 390 (Other Services and Charges). Ms. Womacks said it is expenditures from contracts. He asked if it also included the Family Advocacy Center. Ms. Womacks answered in the affirmative and said the Office of Family and Children reimburses the Auditor's Office for a portion of their cost.

Chair Nytes asked if there were any opportunities for savings. Ms. Womacks said they returned \$145,000 last year and that was at least 5% of the Auditor's actual budget. She said there might be some underspending in some areas, but those cannot be pin pointed right now. Mr. Nelson said some underspending may be in Character 4 (Capital). He said they have not spent any money in that Character yet. Mr. Nelson said the Auditor's budget was reduced by approximately \$213,000 in the 2004 Budgeting process. Ms. Womacks said they have a computer refresh program that is used to replace computers on a three-year basis and those dollars are taken out of Character 4.

Ms. Womacks said a small area of the Auditor's budget is taken from the Reassessment Fund, because they have functions that are appropriate for the expenditures to be used from the Fund. She said one employee is funded from the Fund. Ms. Womacks said there will be no money expended from the Auditor's Endorsement Fee Fund and the money will remain in the Fund for a new property tax system. Chair Nytes asked for the fund balance because it does not show in the budget information. Ms. Womacks said it changes on a daily basis. She said it is approximately \$500,000.

Chair Nytes asked for the running total for the property tax system. Ms. Womacks said she was not sure what the total would be. Chair Nytes said she can account for about \$7 million. Ms. Womacks said her calculations were not that high. Chair Nytes asked if the Auditor's Office uses purchase orders and encumbrances. Ms. Womacks answered in the affirmative. She said that Watson Wyatt is the company that is contracted to do the salary study, and it should be complete before the 2005 budgeting process. Chair Nytes thanked Ms. Womacks for keeping the study going and said many County agencies are concerned about the low pay of their employees.

Chair Moriarty-Adams said printing costs (Line Item 341) fluctuated a lot. Ms. Womacks said the office prints a lot of forms and sometimes funds are transferred to legal settlements. She said they will try to have more realistic numbers for 2005.

Chair Nytes asked for the use of Character 050 (Special Pay/Compensation). Mr. Nelson said it is used for employees that do not participate in the health insurance plan. He said it is a \$10.00 monthly amount the employees are given. Chair Nytes asked if the amount were considered a salary or a benefit. Mr. Nelson said it is a benefit. Chair Moriarty-Adams asked for more explanation. Mr. Nelson said it was a practice that started years ago in the City and County. He said the County provides \$120 per year to an employee that does not take health

insurance from the County. Chair Moriarty-Adams asked why. Mr. Nelson said it started ten years ago and it was not intended to be an incentive, but since the employees were not needing anything from the benefit of health insurance, they were helping the County by not getting insurance. Therefore, the County felt it was appropriate to give those employees a small amount of money.

Councillor Abdullah asked why there was a jump in Fund 295 (Local Emergency Planning and Right To). Ms. Womacks said it was for disaster planning and goes to Health and Hospital. Mr. Nelson said it helps with training, printing and telephone costs involved in hazardous waste removal.

Chair Nytes said her question had to do with something that was said at the Administration and Finance Committee meeting on May 11, 2004. She said it has to do with the \$450,000 that will be part of an annual payment towards the election equipment. She said Ms. Womacks had indicated, at the May 11th meeting, that as far as she knew the payment was not expected to be in the Auditor's Budget. At the meeting on May 11th, the Marion County Clerk (Doris Anne Sadler) indicated that she did not have the money in her budget. Chair Nytes asked if she had any indication, since the May 11th meeting, who has the payment in their budget. Ms. Womacks said it was her understanding that the payment will not be due until 2005. However, she wants to have a conversation with former Councillor Bob Massie, because he was involved in the process. Ms. Womacks said the Auditor's Office was not involved in any of the planning, bonding or process for the voting machines, so they were left in the dark. She said she would try to figure out where the funds might be.

Chair Nytes said she realizes that the Auditor does not have the same control over other County agency budgets like the Controller has over City departments budgets, but from an accounting standing point can the Auditor see other County agency's budgets. Ms. Womacks answered in the affirmative and said the accounting area pays all the bills for everyone in the County. She said the budget is put into the system and whenever a payment is made it is subtracted from the total. Chair Nytes asked if it were possible to get a complete picture of the financial status of the County. Ms. Womacks answered in the affirmative. Chair Nytes asked if it is possible for the Council to encourage more use of encumbrances and accounting controls with the accounting software. Ms. Womacks answered in the affirmative and said the County has the same accounting software as the City. Chair Nytes asked if it were conceivable for the Council to get an enterprise-wide financial look at the entire local government budget. Shirley Mizen, Accounting Deputy for the Auditor's Office, said the City and County use the Famous Accounting System and it is the same software but separate data files. She said the County cannot see the City data and the City cannot see the County data. Chair Nytes asked if the City and County shared vendor files. Ms. Mizen said there is not one master vendor file.

Councillor McWhirter asked if some of the savings for the voting machines were coming from not having a general or primary election next year. Ms. Womacks answered in the affirmative and said there is more in the projection of expenditures than just the \$1.3 million that will be saved from the elections.

Mr. Nelson said they work closely with the City on benefits contracts, particularly on health insurance. He said the County does not have Wellness and EAP for County employees, with the exception of the Sheriff's Department. Ms. Womacks said they looked into it, but it was extremely costly.

Marion County Assessor's Office – Joan Romeril, Assessor; Virginia Francis, Fiscal Deputy

Ms. Romeril passed out her budget materials (Exhibit D). She said they receive and process appeals from property tax assessment, receive and process paperwork for not-for-profit exemptions, calculate inheritance tax and provide the information to Probate Court. The County Assessor received 11,000 appeals for 2002, 722 appeals in 2003 and 234 thus far in 2004. Ms. Romeril said this is a bi-annual filing year for non-profit exempts. The filings should total approximately 5,000 and the deadline for filing is May 15th. Thus far this year the Inheritance Division has handled 428 estates and collected \$12,572,682.81. She said only about 8% or a little over \$1 million stays with the County, the rest goes to the State of Indiana. Ms. Romeril said last year over \$25 million was collected and Marion County received \$1.9 million. She said the Assessor's Office has a staff of 12.

Ms. Romeril said prior to taking office, hearing officers were paid \$50 an hour to hear an appeal. She hired a full-time hearing officer, saving the County thousands of dollars. She said last year the Assessor's budget was reduced by 5% for 2003 and immediately before the final adoption of the County's 2004 budget the Assessor's budget was cut an additional \$1,000 in Character 2 (Supplies) and \$2,000 in Character 4 (Furniture) without consulting her office. She said consideration was not given to the increase in mailings for hearing notices and appeal determination, due to the large volume of appeals. She said the travel budget was cut in half last year even though Assessors are required to obtain continuing education: and training is not always available locally. Ms. Romeril said they are also funding training for the members of the Property Tax Assessment Board of Appeals (PTABOA). She said three of those members hold level two certification and must have continuing education. Travel and training is now being funded solely from the Reassessment Fund when possible. Training not involved with reassessment cannot be paid from the Reassessment Fund. Historically the Assessor has returned between 14% -28% to the County General Fund. It was accomplished mainly to the delay in reassessment and its associated costs. Now that reassessment is here it is not anticipated that spending can be reduced as it has been in the past. General correspondence and board determinations on exemptions are General Fund expenses.

Ms. Romeril said she anticipates increased supply cost due to the volume of appeals. Additional supplies are necessary for reproduction of very large agendas for PTABOA. Mailings, notices and final determinations will have an effect on the Assessor's ability to perform its statutory requirements later in the year. Funds have been shifted to the Reassessment Fund whenever possible. Some mailings are being sent to the Treasurer's Office to get a better bulk rate for postage. Due to reassessment more personnel was going to be hired but has been delayed because all appeals must first be sent to the Townships for a preliminary hearing. If an appeal cannot be resolved at the Township, it is returned to the

County for a hearing. The numbers and timing for appeals at the County level are such that they are handled at current staffing levels at the County, although the Assessor's Office is one hearing officer short. Hearing officers are required to hold level two certification and must not have a conflict of interest with PTABOA. Usually level two hearing officers are filing cases with PTABOA, thus there is a conflict and therefore they cannot hear cases even on a contractual basis.

Ms. Romeril said a document management system was installed as a pilot project for an enterprise-wide solution. The entire project was being funded by the Reassessment Fund. Unfortunately, the functionality did not happen with the initial system. If the functionality happens it will allow for on-line filings of appeals and would automatically enter data into fields that currently must be entered manually. A key piece of equipment that must be in place for the system to work has been identified and Information Services Agency is investigating the purchase of the equipment. Until it is in place everything is on hold.

Ms. Romeril said computers must be changed in the Inheritance Tax Division to be compatible with the new JTAC (Judicial Technology Automation Council) system. The Assessors Office is working diligently to streamline operations and to be cost effective and efficient without adding staff. She said she could not promise that additional staff would not be necessary during Reassessment, however no staff will be hired until it is necessary. Without the total document management project, additional staff in the future is necessary.

She said there are no incentives to look for cost savings and at the end of the year most agencies will use leftover money for supplies, etc. rather than lose money. Ms. Romeril suggested that the County be given the opportunity to receive a certain percentage of any cost savings or underspending identified. The agency could chose the Character the savings would go into for the next calendar year. The savings could be used to give raises or fund a project that is being developed. Without an incentive agencies have no reason to look for efficiencies. Ms. Romeril said she would like to use the savings for raises.

Councillor McWhirter asked for the Assessor's opinion on the recent state legislation that does not allow the Assessor to withhold money for appeals. She asked how it would affect City and County budgets. Ms. Romeril said there may be a few Townships that may come up short. Councillor McWhirter asked if there would be a problem with the City and County budgets and when it may hit the budget cycle. Ms. Romeril said they have not projected the numbers at this point. She said because the Townships are working with preliminary hearings, there are lots of adjustment being made. However, a dollar amount cannot be stated. Marty Womacks, Marion County Auditor, said they just ran a report on where the County is on refunds and credits that have been awarded in all taxing units. She said they have added those up and some schools that appear be have a problem have been notified. Ms. Womacks said 50% of a person's tax bill goes to schools. She said she wrote to all taxing units early in the year to notify them to keep a close eye on their budgets. She said they are looking for large refunds. She said the County Assessor is partnering with her office to work with those who owe a large refund and figure out ways to refund dollars instead of giving them a check. She said they can lower their assessed value enough to make up for the refund in the future

years or make refund payments over a period of time with no additional interest. She said the good corporate citizens are willing to go along with plans for a refund and some refunds are very substantial. Ms. Womacks said they don't anticipate collecting 100%.

Chair Nytes said that was an important question and with the changes from the state it would be valuable for Ms. Womacks to come back and update the committee on the progress of the issue. Chair Nytes said if other governmental units are likely to face a shortfall in distribution it would be important for Councillors to know. Chair Nytes asked if the shortfall would show up in the June 30th distribution. Ms. Womacks answered in the affirmative. Chair Nytes asked if it were something that could be discussed in July. Ms. Womacks answered in the affirmative.

Chair Adams said that the expenses in Fund 200 (Reassessment), Character 390 (Other Services and Charges) for 2002 and 2003 was substantially lower compared to the approved amount for 2004. Ms. Romeril said reassessment was supposed to begin in 2000 and it was delayed until 2002. The Assessor expenditures did not really start until this year, although part of it started at the end of last year. Historically the County Assessor has only used the Funds on reassessment and off years for projects. She said the Assessor's Office started using the funds in the later part of 2002. Chair Moriarty-Adams asked how these funds would be used. Ms. Romeril said they started using the funds for the document imaging system. She said eventually they hope to have a lot of the manual processes automated through the system. She said it is not humanly possible to get 11,000 appeals to the Townships and through the appeal process in 150 days. The new system will allow for better access to information between the County and Townships.

Councillor Abdullah asked for an explanation of the two scanners that are identified on the contract sheet (Exhibit D). Ms. Francis said the Fujitsu 3092 is a smaller scanner than the Fujitsu 4097. She said the maintenance for the 3092 is \$350 and they have two 4097 scanners that cost \$2,800. Councillor Abdullah asked if the \$350 is something that is paid for each year. Ms. Francis answered in the affirmative. Ms. Romeril said the smaller scanner is much slower than the capacity that is needed for the reassessment. Councillor Abdullah asked if both large scanners were used. Ms. Romeril answered in the affirmative.

Councillor Franklin asked why there was a major increase in Line Item 440 (Office Equipment and Furniture) in Fund 200 (Property Reassessment). Ms. Francis said it is there for reassessment. Ms. Romeril said it will also be used for the imaging system. Councillor Franklin said she was looking at the Office Furniture and Equipment line. Ms. Francis said equipment is computers and printers. Chair Nytes asked if Character 390 in the amount of \$248,000 and Character 440 in the amount of \$101,000 is for compliance with the JTAC system and the document imaging system. Ms. Romeril said computers for inheritance tax has to come out of the General Fund. Chair Nytes asked if computers were budgeted for this year. Ms. Romeril answered in the affirmative. Chair Nytes asked where. Ms. Romeril said it will come out of Line Item 440 of the General Fund. Chair Nytes asked for the use of the funds that Councillor Franklin had inquired about in Reassessment Fund. Ms. Romeril said it has been there all along and it was used when equipment needed to be bought. She said it is a

dedicated fund and anything that is not used goes back into it. Chair Nytes asked if there was an intent for the use of the funds since it was put in the budget. Ms. Romeril answered in the negative and said it could be used to hire new staff and purchase office furniture for them. Chair Nytes said since this the Reassessment Fund, which is a unique and special fund we don't have the ability to move this money into other areas, it stays within Reassessment.

Ms. Romeril said the imaging project will use most of the funds that will be left over in Character 390 of Fund 200. Although it was said that \$7 million has been identified for the new property system, \$6 million of that is the Marion County Recorder's Perpetuation Fund and it has never been the intent to use the full amount. The Recorder has agreed to help but the extent is not known. Chair Nytes asked if the document imaging system should be put on hold until the property records system is worked out. Ms. Romeril said it is going to be working in tandem with the property records system. Chair Nytes asked if it is necessary that we get a state-of-the-art property records system. Ms. Romeril answered in the affirmative and said the two systems will communicate.

Chair Nytes asked for the allotment of FTEs. Ms. Romeril said she believes it is 15, but at one point it was 17. Chair Nytes said on the one hand she is saving money by not having all her positions filled but on the other hand the Assessor is having problems keeping up with processing, so what should be done. Ms. Romeril said she does not want to hire someone if they will not be busy. She said there are two level two's, one chief deputy and one hearing officer. The office is short another hearing office. Chair Nytes asked what causes the Assessor's Office to be behind. Ms. Francis said it is the timeframe for appeals. Chair Nytes asked if filling the vacancies would help to comply with the 150-day requirement. Mr. Romeril said the Townships deal with the appeals first and Townships have people assigned to do the appeals. She said Townships need to resolve issues at that level first. She said appeals are coming back to the Assessor's Office at a pace that can be handled. She said the chief deputy splits time between hearing cases and working with the not-for-profit exemptions. Chair Nytes asked if filling the three vacancies will address workload issues. Ms. Romeril answered in the negative.

Ms. Romeril said the status report (Exhibit D) is reassessments. She said the report is updated every month after the PTABOA meeting. Chair Nytes asked if they expect to return anything this year. Ms. Romeril said any savings would come out of the personnel lines (Character 1).

(Clerk's note: Councillor Vernon Brown left at 7:20 p.m.)

Information Services Agency – Dave Mockert, Director; Paul Ricketts, Chairman of the ISA Board

Chair Nytes said ISA is an enterprise wide function that affects everybody. Mr. Mockert said he was new to his position. He said Mr. Paul Ricketts could answer any difficult questions for the IT Board. Mr. Mockert said he appreciates the Council efforts in talking with the various departments and agencies about their budgets. He said IT is about finding efficiencies and improving the business operations of the City and County. Mr. Mockert said they provide

information services to the majority of the City departments and County agencies. He said ACS is the current outsourcing provider. ACS provides most of the information technology (IT) services on contract and is in the ninth year of the contract. He said they provide GIS services, internet services, telephone operations service, IMAGES and the Enhanced Access Fund falls under ISA.

Mr. Mockert said they are re-bidding the IT contract and are looking at restructuring ISA services to include the delivery of services for data center operations, network services and the help desk. He said the Distributed Computing Environment, is for the desktop computers as well as the application services maintenance and applications development. He said the request for proposals (RFP) was on the street March 16th and a number of responses were made on May 13rd. The staff is currently evaluating the bids. Mr. Mockert said he would like to come back and provide an update on the status of the bids. He said there will be a shift in how ISA proposes the 2005 budget. He said they looked at the entire ISA organization and how services are provided to the City and County and they are looking at increasing the responsibilities of the ISA staff. They will take on some of the responsibilities that are currently contracted out, so there will be a shift in dollars. He said a lot of it is uncertain based on what the contract ends up being. He said it is shifting dollars not necessarily head counts, from Character 3 to Character 1 because skill sets will have to be brought in that they currently don't have in-house. They will be higher priced employees. He said ISA currently has 33 FTEs and the full allocation is 40 FTE's with one PTE.

Mr. Mockert said ISA is financed differently than City departments and County agencies in that ISA charge backs all support services to the agencies, departments and other outside entities. He said they have a cumulative budget. He said if an agency buys a computer the money will come out of the ISA budget and the agency would be charged back for the computer. Chair Moriarty-Adams asked if all charge backs to agencies were direct charges. Mr. Mockert said there are two charges. There is a base charge for services and a pass through charge which is a direct charge. He said the direct charge is the exact amount of a computer or piece of software. He said base services and internal costs are fixed rates that get charged back to departments and agencies 1/12 each month. They are charged back 1/12 each month. Chair Moriarty-Adams asked if there were a direct charge and a base charge. Mr. Mockert answered in the affirmative and said the direct charge is the pass through. Chair Moriarty-Adams asked how the base charge is determined. Mr. Mockert said it is predetermined based on the cost of services. He said it is set in the budget on an annual basis and ISA works with the departments and agencies to make sure they know what the charges are. Mr. Mockert said the current contract is a fixed rate contract so the charges are known and split between the agencies and departments. Chair Nytes asked if the base is determined by a percentage of ISA cost. Mr. Mockert answered in the affirmative. Chair Nytes asked if the charges are proportionate to the amount of work that an agency or department needs from ISA. Mr. Mockert answered in the affirmative and said they essentially support 6,500 desktop machines and other types of devices. He said the cost of help desk services, the cost of support if a machine breaks down, supporting the network and the data center is built into the base charges. Mr. Ricketts said each year agencies try to project what the workflow for the

upcoming year will be. He said it is the same pot of money, it just gets distributed differently based on the use of the agency or department.

Mr. Mockert said they have a lot of unanticipated cost. If something breaks ISA does not know if there is money to fix the problem. He said if someone needs a particular piece of software, it cannot always be predicted how much it will cost to do a particular application or system development. He said ISA's expenditures are based on what the City and County decide they need. He said in terms of providing back to the City and County, it comes down to their ability to identify where they can save money in their IT budgets. Mr. Mockert said he has a hard time going to someone's budget telling them to cut out services/items. He said spending money on IT now will eventually save dollars later. For example, he said, spending money on networks could save money on support costs down the road.

Councillor Abdullah said he was concerned about Line Items 349 (Maintenance /Licensing Agreement), 374 (Equipment-Rental/Leasing) and 312 (Conference & Travel Expenses). Councillor Abdullah asked for an explanation of the increase in Line Items 349 and 374. Mr. Mockert said between 2002 and 2003 money was shifted from a GIS contract that was about \$3 million annually and now ISA does lease agreements themselves. He said the vendor was paying the licensing agreements for them, similar to what ACS does for ISA now. He said ACS maintains some of the licensing agreements and some of the costs that are incurred for leasing. A lot of customers, like probation, courts, and juvenile are leasing. Councillor Abdullah asked if the various department budgets should reflect ISA costs in their budgets. Mr. Mockert said ISA does a master lease agreement and the departments are charged back. He said they have cut down Line Item 312 and they have fewer staff to train.

Councillor Sanders asked if there will be considerable salary savings if ISA maintains a staff of 33 FTEs. She asked if Character 1 (Personal Services) will continue to be a place for savings, or will additional full time people be added. Mr. Mockert said in restructuring the office and incurring some transition costs, some costs will be saved, but not 20% because additional staff will need to be added in the third or fourth quarter of the year. He said it would be in the 3rd or 4th quarter. Councillor Sanders asked if there is another source of revenue for ISA. Mr. Mockert answered in the affirmative and said it is telephone charges, IMAGES and the Enhanced Access Fund. Councillor Sanders asked for the revenue amount. Mr. Mockert said IMAGES is \$536,500 and the Enhanced Access Fund is \$30,000.

Chair Nytes said the Council has before them ISA's appropriations and even with the potential reorganization of ISA (because the new contract is on the street) there may be areas of savings in Character 1 and elsewhere. She said the IT budget is different than other budgets because money for ISA stays in its fund balance and is not returned to the City and County fund balance. ISA is a non-reverting fund. Chair Nytes asked Mr. Mockert if ISA is in a position to help the City and County with its fiscal problems. Mr. Mockert answered in the affirmative and said he has been working with the City Controller and the County Auditor with respect to the fund balance. He said the fund balance was in the red in 1999 and 2001. He said they now have a fund balance and they believe they can provide \$2 million back to the City and County. Chair Nytes asked if it would endanger the ability of ISA to

successfully renegotiate a new IT contract. Chair Nytes asked if the money had accumulated for a couple of years. Mr. Mockert answered in the affirmative and said it also came from not filling all FTE positions. Councillor McWhirter asked if there were a funding distribution mechanism. Mr. Mockert said the current distribution worked out with the Auditor and the City Controller is a 50-50 split to the City and County. Chair Nytes said if the Council has a problem with the distribution they would take it up with the City and County officials.

Councillor Sanders asked if the RFP included “not-to-exceed” parameters and how does the RFP compare to the current ACS contract. Mr. Mockert said the current ACS contract is a fixed price base contract with expenditures on top of that amount. He said it does not include a “not-to-exceed” clause. He said the goal for the new contract is to have a portion fixed priced (base service) and the applications development portion will be for “not-to-exceed” contract.

Chair Nytes said that throughout the hearings the Council has encouraged other agencies and departments to make greater use of technology and do more with the new accounting system. She said Council’s suggestions to some of those agencies may result in an increase in help from ISA.

CONCLUSION

With no further business pending, and upon motion duly made, the Administration and Finance Committee and Public Safety and Criminal Justice Committee was adjourned at 8:25 p.m.

Respectfully submitted,

Jackie Nytes, Chair
Administration & Finance Committee
Committee

Mary Moriarty Adams, Chair
Public Safety & Criminal Justice

JN/MMA:csp